

Message from Secretary General

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Welcome to the 17th edition of the InFocus, CIBAFI newsletter, that aims to keep our stakeholders informed about our activities and initiatives.

While societies are still coping and adapting to the challenges brought about by the current pandemic, CIBAFI is determined to continuing its advocacy mandate by taking adaptive measures and using innovative solutions. Over the years, CIBAFI with the support from its Board of Directors, members and other stakeholders has been consistently delivering excellence while being transparent, accountable, and committed to its mandate and initiatives.

This year was a special year indeed as most of CIBAFI's activities were held remotely including its regular meetings. With the passing of CIBAFI's Founding Chairman, H.E. Shaikh Saleh Kamel earlier this year, Sheikh Abdullah Saleh Abdullah Kamel was elected and appointed as the new Chairman of the Board of Directors of CIBAFI for the current term ending June 2022.

Furthering its commitment to supporting sustainability practices within the Islamic financial services industry (IFSI), the inaugural meeting of the CIBAFI Sustainability Working Group (SWG) was held remotely. CIBAFI SWG comprises representatives from CIBAFI's members and other international stakeholder organisations. Building on this strong relationship with stakeholders and other institutions with similar objectives, CIBAFI continues to promote the value proposition of Islamic finance.

As we are looking forward to a better year, CIBAFI is delighted to celebrate the 20th year of its establishment as the official global representative of Islamic financial institutions (IFIs), in 2021. CIBAFI Global Islamic Bankers' Survey (GIBS) 2021 with the theme "Islamic Banking Sector: A Look into the Future" will be a timely and special edition to celebrate this milestone. The report will cover a dedicated section on the future of Islamic finance industry with an objective to present a reflection on the Islamic banking sector and the evolving trends that will shape its future landscape. CIBAFI Award 2021 on the other hand will showcase CIBAFI member institutions that have effectively demonstrated "The Adoption of Financial Technologies (Fintech)" in different aspects of their business.

Further, advocating the values of Islamic finance and its related policies and regulations, CIBAFI will continue to act as the voice of the Islamic financial services industry (IFSI) to international organisations, regulatory authorities and various stakeholders. CIBAFI through its "Research and Innovation" objective will continue to provide Islamic finance market-related research and publications that will guide and shape the way forward for the financial sector.

Regarding the third Strategic Objective of "Training and Professional Empowerment", in addition to the regular series of professional certification programmes, technical workshops and executive programmes, the Secretariat has embarked in a large scale project of translating its training materials to different languages to meet the needs of our members and stakeholders from different regions.

Stay tuned for more of CIBAFI and we hope you will enjoy reading more details about its recent activities and initiatives in this edition of the InFocus.

On behalf of CIBAFI, I would like to express our sincere thanks to our Board of Directors, members and other stakeholders for their continuous support and encouragement in achieving our mandate and initiatives for the betterment of the IFSI. Wishing for continuous prosperity for the industry and excellence in all the activities and initiatives we undertake to achieve our desired objectives.

Yours Sincerely,
Dr. Abdelilah Belatik
Secretary General

CIBAFI Meetings

CIBAFI 40th Board of Directors Meeting



CIBAFI 40th Board of Directors' (BoD) Meeting was held virtually on 2nd September 2020. During the meeting, the activities report for the period from May to August 2020 and the membership application from Bank Nizwa – Oman were reviewed and approved. The meeting also witnessed the approval of the members of CIBAFI Sustainability Working Group (SWG) and the election and appointment of Sheikh Abdullah Saleh Abdullah Kamel, the new Chairman of the Board of Directors of CIBAFI for the current term ending June 2022.

Board of Directors' Theme Selection Committee Meeting for CIBAFI Award 2021

During its 39th meeting, CIBAFI Board of Directors' appointed a Theme Selection Committee comprising representatives from the Islamic Development Bank (IsDB), the National Commercial Bank and Safa Bank to discuss and propose a theme for the CIBAFI Award 2021. In this context, the Theme Selection Committee meeting was held on 1st October 2020 and agreed on the Award's final theme. The theme "The Adoption of Financial Technologies (Fintech)" was then approved during the 41st Board of Directors' Meeting.

Strategic Objective 1: Advocacy of Islamic Finance Values and Related Policies & Regulations

8th CIBAFI Members Consultative Group Meeting (MCG)



CIBAFI held its 8th Members Consultative Group Meeting on 21st December 2020. During the meeting, the Secretariat presented an update of the recent activities as well as the preparations for the CIBAFI Global Islamic Bankers' Survey 2021 and CIBAFI Award 2021. The meeting also facilitated a fruitful discussion on the topics of the upcoming CIBAFI Briefings for 2021, along with other CIBAFI initiatives.

CIBAFI 41st Board of Directors Meeting



CIBAFI held the 41st CIBAFI Board of Directors' (BoD) Meeting virtually on 15th December 2020. During the meeting, the members discussed CIBAFI activities report for the period from September to December 2020 as well as the work plan and upcoming initiatives for the year 2021. The membership requests from Nasak Bank in Iraq and the International Islamic Trade Finance Corporation (ITFC) in Saudi Arabia were approved during the meeting.

CIBAFI Comments to the Basel Committee on Banking Supervision (BCBS)



Basel Committee on Banking Supervision

BANK FOR INTERNATIONAL SETTLEMENTS

Aligned with its role as an advocate of the Islamic financial services industry (IFSI), CIBAFI has submitted its comments on 4th November 2020 to the Basel Committee on Banking Supervision (BCBS). The submission included comments on the Consultative Documents (CDs) on "Revisions to the principles for the sound management of operational risk" and "Principles for operational resilience". The comments provided collective feedback of CIBAFI member banks from over 34 jurisdictions. The comments submission was announced through a press release to media agencies, on CIBAFI website and social media channels. Full comments submitted to BCBS are available on CIBAFI **website**: <http://www.cibafi.org>.

Kick-off Meeting of CIBAFI Sustainability Working Group (SWG)



CIBAFI Secretariat organized the kick-off meeting of the SWG on 23rd September 2020 with the main purpose of initiating the groundwork required to achieve the objectives of the group's establishment. The SWG will initially focus on two projects, (1) Sustainability Guide for the Islamic banking industry

and (2) Carbon Footprint Measurement Methodology for Islamic financial institutions.

The prime objective of the Sustainability Guide is to augment the social and environmental responsibilities and governance principles of Islamic financial institutions (IFIs). While the Carbon Footprint Measurement Methodology aims to help IFIs in identifying to what extent their financing is responsible for greenhouse gas (GHG) emissions, which is considered the primary reason behind the climate change issue. The two projects will be conducted in cooperation and with technical assistance from the IsDB.

CIBAFI SWG kick-off meeting also witnessed, experience sharing sessions from experts in the area of sustainability and the launch of CIBAFI 13th Briefing on "Climate Change and its Implications for the Financial Industry".

CIBAFI Comments to IFRS Foundation's Consultation Paper (CP) on "Sustainability Reporting"



On 24th December 2020, CIBAFI submitted its comments to the International Financial Reporting Standards (IFRS) Foundation on its Consultation Paper on Sustainability Reporting. The IFRS Foundation invited stakeholders to provide comments on the Consultation Paper to assess the demand for global sustainability reporting standards and understand whether and to what extent the Foundation might contribute to the development of such standards.

In its comments, CIBAFI stressed that in order to bring transparency, accountability, efficiency and consistency in the information shared about sustainability by the financial institutions, a global set of internationally recognised sustainability reporting standards is needed. It further commented on the areas to be considered should the IFRS Trustees opt to establish a sustainability standards board (SSB).

Full comments submitted to IFRS Foundation are available on CIBAFI website: <http://www.cibafi.org>.

CIBAFI - Bahrain Association of Banks (BAB) Webinar on "Sustainability within the Financial Sector: Practices, Trends and Achievements"



CIBAFI jointly with the Bahrain Association of Banks (BAB), has successfully convened a webinar with the theme, "Sustainability within the Financial Sector: Practices, Trends and Achievements", on 28th October 2020. This webinar brought together senior executives of financial institutions across various countries as well as high - level representatives from multilateral institutions, international and national regulatory bodies, policymakers, inter-governmental agencies and academia. The webinar discussed how financial markets are rapidly aligning with sustainable finance and gave an overview of what leading institutions have done in terms of integrating sustainability within their core businesses and activities. It also discussed sustainability best practices within banks and financial institutions in general as well as Islamic banks and financial institutions in particular.

2nd CIBAFI – UAB Forum on "Islamic Finance for Sustainable Economic Growth in the MENA Region: From Crises to Opportunities"

CIBAFI and the Union of Arab Banks will organise the second edition of their joint forum, with the theme "Islamic Finance for Sustainable Economic Growth in the MENA Region: From Crises to Opportunities". The forum will be held online on 20th January 2021 in English language.

This Forum aims to demonstrate the flexibility of Islamic financial markets in the current situation and how Islamic finance can help to achieve Sustainable Development Goals (SDGs) with increased partnerships among governments, regulators, Islamic financial institutions and other stakeholders. The Forum will provide a platform to present different perspectives, raise awareness on the potential role of Islamic finance in achieving sustainable economic growth and shed light on the contemporary challenges in the MENA region. Expert industry practitioners from in and around the region will share their insights on approaches and strategies to help tap opportunities and achieve common objectives. For more information and registration, please contact us through email: cibafi@cibafi.org.

Strategic Objective 2: Research and Innovation



CIBAFI 13th Briefing on “Climate Change and its Implications for the Financial Industry”

CIBAFI launched its 13th Briefing on “Climate Change and its Implications for the Financial Industry” during CIBAFI SWG kick-off meeting on 23rd September 2020 in conjunction with the United Nations (UN) Global Climate Action week. CIBAFI 13th Briefing highlighted the initiatives being taken globally and the role of the financial institutions in managing climate change risks. It also presented how far climate change risks represent an important business concern for the Islamic banking industry, through the findings of a survey conducted by CIBAFI. **For more information on CIBAFI 13th Briefing, please visit www.cibafi.org.**

CIBAFI Briefings for 2021

The Secretariat is currently working on its upcoming briefings on “The Islamic Funds Market and its Global Trends” and “Open Banking: Challenges and Opportunities for Islamic Banking Industry”. CIBAFI briefing on Islamic funds aims to present an overview of the Islamic funds market and shed light on the size and structure of the industry. It will examine the specifications of Islamic funds development and management, the global trends in the market, as well as the regulatory framework, underpinning it. The briefing on open banking on the other hand aims to present an overview of open banking, its ecosystem and contemporary trends in the global banking industry before presenting a perspective on its integration within the Islamic banking industry.

CIBAFI Global Islamic Bankers Survey (GIBS) Report 2021 on “Islamic Banking Sector: A Look into the Future”

CIBAFI started working on the 2021 edition of its Global Islamic Banker’s Survey. The 6th GIBS survey comprises three main areas, namely Confidence Index, Risk Dashboard and a thematic section on the Future Outlook of the Islamic Banking Sector. GIBS 2021 report will be a special edition to celebrate the 20 years of CIBAFI’s establishment. It will feature special articles from the experts of the industry on their perspectives on different aspects that contribute to the development of the industry. GIBS Report is CIBAFI’s flagship publication that includes a high standard of industry-driven analysis that can serve as a starting point for in-depth technical research.

For sponsorship opportunities, please contact CIBAFI Secretariat through email at: cibafi@cibafi.org.

CIBAFI Award 2021 on “The Adoption of Financial Technologies (Fintech)”

CIBAFI has started the preparation of its third Award 2021 on “The Adoption of Financial Technologies (Fintech)”. Financial Technology (Fintech) is bringing numerous advantages to financial institutions such as enhancing operational performance and profitability, customer retention and preference, products development and innovation and strengthening the quality of services they offer. CIBAFI Award 2021 is a unique recognition that will showcase a CIBAFI member bank or financial institution who will present an evidence of how it adopted and implemented Fintech in the most effective and positive way within the different aspects of its business. CIBAFI members are encouraged to participate in this one of a kind award. Stay tuned for more details.

Strategic Objective 3: Training and Professional Empowerment

CIBAFI - Ivey Business School Executive Programme on “Strategic Thinking and Agility in Crisis and Transformation; Leadership Style, Character, and Grooming”



CIBAFI and Ivey Business School continue their productive collaboration and successfully launched the sixth series of their joint Executive Programme. This year’s programme is themed: “Strategic Thinking and Agility in Crisis and Transformation; Leadership Style, Character, and Grooming”.

The programme was held online and ran for four days. This programme gathered 30 Senior Executives of Islamic banks as well as regulatory authorities. Through this world-class and highly interactive learning experience, the participants were able to mainstream their leadership roles that are faced with the challenges of the current volatile, uncertain, complex and ambiguous (VUCA) world.

This timely programme aimed to develop and improve agile leadership in an era of exponential change. An era of change which requires executives to hone capabilities for deeper reflection and exposition, to re-engineer mindset as they grapple with the pandemic and post-pandemic changes, and to understand how innovations may be the “game changer” for financial services institutions.

CIBAFI Series of Online Technical Workshops



CIBAFI continue to overcome the current challenges by using innovative solutions and implementing virtual initiatives and activities, thus the Secretariat held a number of technical webinar series in different languages. CIBAFI has successfully delivered 2 series of online technical workshop on “Maqasid al Shariah in Islamic Finance” in Arabic and English languages. The series were held on 29th – 30th September 2020 and 26th – 27th November 2020, respectively. These workshops aimed to look at Maqasid al Shariah, its objectives and classification before getting into the concept of Maslahah (Public interest) as an important mechanism of Shariah. It also covered Maqasid al Shariah’s various implementations in the resolutions of Shariah Boards.

Technical Workshop on “Products Development and Financial Engineering for Islamic Financial Institutions (IFIs)”, in French language was also organised on 26th – 27th October 2020. It aimed to engage participants in the discussion on how Islamic principles can be used to develop financial products by introducing the principles that form the building blocks of contemporary Islamic financial products and then discussing the more intricate issues relating to products development processes.

CIBAFI wishes to thank all the participants for their active participation at CIBAFI technical workshops. It also extends its appreciation to the industry experts who shared their knowledge with the participants as guest speakers.

CIBAFI Virtual Seminar on “Sukuk Structuring and Rating Methodology”, in cooperation with S&P Global Ratings



CIBAFI in cooperation with S&P Global Ratings, has successfully launched the Virtual Seminar on “Sukuk Structuring and Rating Methodology” on 14th December 2020. This 3rd series of seminar jointly organised by CIBAFI and S&P Global Ratings was delivered in French language.

The seminar was inaugurated with a welcoming remark from the Secretary General of CIBAFI and has witnessed a special opening remarks from the official representative of the Central Bank of West African States (BCEAO), on behalf of the Governor.

S&P Global Ratings facilitated the presentation and discussion on Sukuk structuring and rating methodology. During the presentation, the attendees were exposed to an insightful understanding of the different Sukuk structures most commonly used, and how Sukuk rating methodology differs from conventional bond rating methodology through practical case studies. The Seminar culminated with a Panel Session on “Global Islamic Finance Industry Outlook”, where industry experts engaged in a discussion about the expectation of the global industry growth and the Sukuk market. During the session, the panelists also highlighted the interlinkages between Islamic finance and ESG principles and the opportunities and challenges that the Islamic financial institutions face in integrating Fintech to their core business.

CIBAFI Online Training of Trainers (ToT) Programme



CIBAFI organised its 4th series of Training of Trainers (ToT) Programme from 6th – 10th December 2020. The Programme was delivered online, in English language. CIBAFI ToT programme was attended by seasoned professionals as well as those who are interested in the training industry. The programme has equipped the participants with up-to-date skills and practical expertise in the area of training. It also witnessed the participation of guest trainers who shared their knowledge and experience on the use of modern technology and applications to deliver trainings remotely in the most effective way, especially during this current situation.

15th CIBAFI Accreditation Board (AcB) Meeting



The 15th CIBAFI Accreditation Board (AcB) Meeting was held remotely on 7th October 2020. During the meeting, CIBAFI Secretariat presented the training activities and initiatives for the period. The meeting also facilitated a productive discussion among the members on how to develop and improve CIBAFI existing training materials to align them with the current human development needs within the Islamic financial services industry.

CIBAFI Network of Global Professional Development Agents' Update: January – December 2020

CIBAFI offers its professional certification programmes through its network of 22 Global Professional Development Accredited Agents in 18 countries. We are pleased to announce that from January to December 2020, CIBAFI accredited agents have organized 25 training sessions which provided professional certifications for 380 trainees.

About CIBAFI

CIBAFI is an international non-profit organisation founded in 2001 by the Islamic Development Bank (IsDB) and a number of leading Islamic financial institutions. CIBAFI is affiliated with the Organisation of Islamic Cooperation (OIC).

With over 130 members from more than 34 jurisdictions all around the world, CIBAFI is recognised as a key piece in the international architecture of Islamic finance.

Its mission is to support the IFSI by providing specific activities and initiatives, aiming to strengthening the growth of the industry, deepening Shariah objectives in financial dealings and transactions, and facilitate cooperation between members and institutions of common interest.

CIBAFI is guided by its Strategic Objectives, which are:
1) Advocacy of Islamic Finance Values and Related Policies & Regulations; 2) Research and Innovation; and 3) Training and Professional Empowerment.

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CIBAFI Upcoming Events and Activities

11th January 2021

Public Lecture
Islamic Economics and Finance:
Leveraging on Shariah Governance for
Opportunities and Managing the Challenges

20th January 2021

2nd CIBAFI – UAB Forum on
“Islamic Finance for Sustainable Economic Growth
in the MENA Region: From Crises to Opportunities”

February | April | June
CIBAFI Webinar Series

March | May
Online Technical Workshops

April
CIBAFI Annual General Meeting

Get to know more about CIBAFI's activities



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